

Rainbow Chicken buys 64.2% of Foodcorp

By [Roy Downing](#)

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South Africa's largest processor and seller of chickens, Rainbow Chicken, on Wednesday (14 November) announced it is to buy 64.2% of Foodcorp for R1.037bn.



The acquisition will allow Rainbow to diversify and enter new attractive food categories with a range of respected and market leading brands while harnessing synergies and scale benefits, said chief executive Miles Dally.

Foodcorp will retain the remaining 23.9% share in the firm and will continue to run it.

Rainbow said the acquisition will broaden the range of respected brands and categories in its portfolio to counter the cyclical nature of the food industry and combine strengths to support product innovation and development.

"It is an important first step for Rainbow Chicken as a restructured business to pursue compelling acquisitions of consumer brands in strategic growth markets in the food sector in South Africa and the greater sub-Saharan region," Dally said.

Rainbow will conduct a rights offer, fully underwritten by Remgro, to contribute funding for strategic growth opportunities including the Foodcorp transaction.

The proposed acquisition is subject to certain conditions, including approval by the competition authorities.